



MAGIC VALLEY

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA, & TWIN FALLS COUNTIES

EMPLOYMENT TRENDS

The seasonally adjusted unemployment rate was 4.0 percent in October 2004 for the Magic Valley Labor Market Area (LMA) as seen in Magic Valley Table 1. This is one-tenth of a percentage point higher than September 2004, and one-tenth of a percentage point lower than October 2003.

Civilian Labor Force was up 2,620 workers, or 4.6 percent, year-over year. This continues a year-long trend of stable, low unemployment numbers in conjunction with strong increases in the *Civilian Labor Force*, indicating that unemployment rates were a true measure of economic growth rather than a report of fewer people in the workforce.

The employment sector that has shown dramatic growth year-over-year is *Construction* with a 43.7 percent increase. This is particularly noteworthy because all types of construction have increased. The City of Twin Falls set a record for the third consecutive year for new housing starts. This was a result of low interest rates and strong consumer confidence. Business construction was also very robust as well as road and highway construction. Many projects starting in 2004 included ground-breaking for a new Lowe's Store on Blue Lakes Boulevard and North College Road. Also, the Church of Jesus Christ of Latter Day Saints (LDS) began construction of a \$1.4 million Deseret Industries store and office facilities in the Fillmore Street and Pole Line Road area in north Twin Falls. Outlook for construction employment continues to be strong for 2005 with the announcement that a new LDS Temple will be erected at the site of the present Candle Ridge Golf Course. This should create 200-300 additional construction jobs that should last 18-24 months. With the announcement that three new light manufacturers are moving to the area--Kiefer-Built in Gooding, Hilex-Poly in Jerome, and Jayco, Inc. in Twin Falls--there will be construction projects to enhance and modify the buildings to meet specifications.

Magic Valley Table 1: Labor Force & Employment
Twin Falls, Jerome, and Gooding Counties

	Oct 2004*	Sep 2004	Oct 2003	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	59,180	58,040	56,560	2.0	4.6
Unemployment	2,350	2,270	2,320	3.5	1.3
% of Labor Force Unemployed	4.0	3.9	4.1		
Total Employment	56,830	55,770	54,240	1.9	4.8
Unadjusted					
Civilian Labor Force	59,550	59,130	56,900	0.7	4.7
Unemployment	1,930	1,820	1,890	6.0	2.1
% of Labor Force Unemployed	3.2	3.1	3.3		
Total Employment	57,620	57,310	55,010	0.5	4.7
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	47,620	47,220	44,910	0.8	6.0
Goods-Providing Industries	10,200	9,310	7,760	9.6	31.4
Natural Resources & Mining	20	20	20	0.0	0.0
Construction	3,780	4,150	2,630	-8.9	43.7
Manufacturing	6,400	5,140	5,110	24.5	25.2
Food Manufacturing	4,610	3,670	3,510	25.6	31.3
Other Manufacturing	1,790	1,470	1,600	21.8	11.9
Service-Providing Industries	37,420	37,910	37,150	-1.3	0.7
Trade, Transportation & Utilities	10,940	11,180	9,950	-2.1	9.9
Wholesale Trade	2,010	1,990	1,930	1.0	4.1
Retail Trade	6,810	6,820	6,200	-0.1	9.8
Utilities	260	290	270	-10.3	-3.7
Transportation & Warehousing	1,860	2,080	1,540	-10.6	20.8
Information	500	580	490	-13.8	2.0
Financial Activities	1,800	1,830	1,790	-1.6	0.6
Professional & Business Services	6,370	6,100	7,130	4.4	-10.7
Educational & Health Services	4,030	4,090	3,820	-1.5	5.5
Leisure & Hospitality	3,740	3,890	3,830	-3.9	-2.3
Other Services	1,500	1,500	1,500	0.0	0.0
Government Education	3,980	4,180	4,060	-4.8	-2.0
Government Administration	4,560	4,560	4,590	0.0	-0.7

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

Manufacturing increased 25.2 percent year-over-year due primarily to strong growth in *Food Manufacturing*. Dairy prices were very strong in 2004, and cheese processors gradually increased their workforces. The expansion of Rite Stuff Foods in Jerome also contributed to the strong numbers. *Manufacturing* job numbers in 2005 are expected to increase, especially as the three light manufacturers mentioned earlier ramp up to expected levels. The three manufacturers are expected to create 200-300 new jobs with good wages and excellent benefits. *Retail Trade & Transportation* also had increases of 9.8 and 20.8 percent, respectively, year-over year. This is noteworthy in the case of *Transportation* because gasoline prices reached record levels of over \$2.00 per gallon before the prices receded slightly toward year-end.

For the most part, agricultural hiring remained average to slightly below average, however water shortages caused seasonal workers to be displaced

two to four weeks earlier than usual. Holiday hiring was strong in western Magic Valley and Blaine County, and better than expected in the Mini-Cassia area, which is still struggling from high unemployment. Again, the dairy industry showed extreme stability and worker numbers rose steadily throughout the year. In the Blaine County area, *Leisure & Hospitality* hiring was better in 2004 and the area had a very low unemployment rate. A relatively good early snow year in January and February 2004 resulted in strong tourism numbers. Despite higher petroleum prices, numbers indicated pre 9/11 levels. The major concerns for the Sun Valley-Ketchum area will be energy prices, especially for automobile tourists, and also flight availabilities into Friedman Airport in Hailey. The overriding concern is the continued drought. The early 2004-2005 season has been relatively dry and if the water year is below average it will have serious ramifications, not only for skiers, but also summer campers as campsite fire danger increases.

The major economic concern locally is water supply and outlook. South Central Idaho has experienced extreme drought conditions for the last five years resulting in critical water concerns and possible mandatory curtailment. An April 1, 2004, curtailment was avoided when a water agreement was met, but this was only temporary at best. The Snake River Aquifer is experiencing water level drop-offs, and this is a serious concern for the aquaculture industry as well as the dairy industry, municipalities, and other groundwater users. The Magic Valley LMA is the leading trout-producing area in the world. Aquifer recharge is a high priority and irrigation water is in short supply due to a below average water year. If agreements can't be reached, the economic impact could be catastrophic, and threaten to undo impressive growth and stability that the area has enjoyed for the last decade.

AREA DEVELOPMENTS

Twin Falls County

- Dell, Inc. sent recruiters to a six-hour session at the College of Southern Idaho to look for potential applicants for its business relationship support center in Twin Falls. This does not signal a major increase in employment numbers, but rather the company's effort to create a strong applicant base for normal operations and attrition needs. Earlier this year, Dell upgraded the Twin Falls consumer technical support call center to a business relationship center. This has provided enhanced career path opportunities and changed hours to fit businesses rather than consumers.
- Blue Lakes Sporting Goods, a long-time Twin Falls retailer, announced that it will close. No exact date was set. Blue Lakes Sporting Goods originally opened in 1962 and expanded into the current building in 1977. Approximately 10 full- and part-time employees will be affected.
- Jayco, Inc., the new recreational vehicle manufacturing locating in Twin Falls, has started its recruitment process to hire workers for the assembly facility to be located in the Norco Building in south Twin Falls. Jayco,

Inc. is one of the largest manufacturers of recreational vehicles in the United States. Headquartered in Middlebury, Indiana, the company manufactures a large variety of recreational vehicles. The company plans to hire local management, and begin hiring welders and assemblers. It is estimated that the company will hire 50-80 workers in 2005.

Blaine, Camas, Gooding, Jerome, and Lincoln Counties

- A Kanawha, Iowa, based trailer manufacturer is opening a plant in Gooding and could create as many as 75 jobs. Kiefer Built LLC plans to lease the 120,000-square-foot Arkoosh Produce Building and to hire as many as 20 employees by March 2005. The company plans to eventually hire 75 welders, assemblers, and maintenance personnel. Wages will be extremely competitive with a full benefits package offered. The recruitment was the result of statewide participation and assistance from Idaho Commerce & Labor personnel from Boise and the Magic Valley Office in close cooperation with Gooding City leaders, economic developers, and the College of Southern Idaho. In addition to providing employment opportunities for workers in western Magic Valley, the building the company is leasing has been vacant for several years.

Cassia and Minidoka Counties

- Groundbreaking for the construction of the new Gossner Foods cheese processing facility began in October 2005. Construction is planned to take about one year and the company hopes to begin processing in October 2005. The construction project will employ close to 100 workers for the year; Gossner plans to hire 30-60 workers initially at extremely competitive wages and full benefits. The company will be located in the new Burley-Heyburn Industrial Park managed by the Boyer Company, and will be a new cornerstone facility in the park.
- After more than a year's work, the City of Burley became a Gem Community. Hank Ebert, Gem Community Coordinator for Idaho Commerce and Labor, presented the award and asked teams from Rupert, Wendell, Heyburn, Albion, and Shoshone to share their experiences with the state's 126th Gem Community. The Gem Community status is an accomplishment that can help a city's resume and indicates strong community support of local projects and economic development. It shows a city's capability and commitment to long-term planning. Projects related to the City of Burley's centennial in 2005 were key to achieving the Gem Community status.

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